

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION TO ANY U.S. PERSON (AS DEFINED IN REGULATION S (REGULATION S) UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT)) OR IN OR INTO THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS (INCLUDING PUERTO RICO, THE U.S. VIRGIN ISLANDS, GUAM, AMERICAN SAMOA, WAKE ISLAND AND THE NORTHERN MARIANA ISLANDS), ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA (THE UNITED STATES) OR TO ANY PERSON LOCATED OR RESIDENT IN ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DISTRIBUTE THIS DOCUMENT.**

7 April 2014

**PIAGGIO & C. S.P.A. ANNOUNCES EXCHANGE OFFER**

Piaggio & C. S.p.A. (the **Issuer**) announces that it is inviting Qualifying Noteholders of its outstanding €150,000,000 7.00% Senior Notes due December 2016 (ISIN: XS0471946367) (the **Existing Notes**), to offer their Existing Notes for Euro-denominated Senior Notes due 2021 (the **New Notes**) to be issued by the Issuer (the **Exchange Offer**).

The Exchange Offer is made on the terms and subject to the conditions contained in the Exchange Offer Memorandum dated 7 April 2014 (the **Exchange Offer Memorandum**). This announcement should be read in conjunction with the Exchange Offer Memorandum. Capitalized terms used but not otherwise defined in this announcement shall have the meaning given to them in the Exchange Offer Memorandum. Each of the Existing Notes will be exchangeable for the New Notes, as set forth in the tables below.

*Details of the Existing Notes*

| <b>ISIN / Common Code</b>  | <b>Outstanding Nominal Amount</b> | <b>Maturity Date</b> | <b>Coupon</b> | <b>Exchange Price</b> | <b>Target Acceptance Amount</b>                     |
|----------------------------|-----------------------------------|----------------------|---------------|-----------------------|---|
| XS0471946367/<br>047194636 | €150,000,000                      | December 1,<br>2016  | 7.00%         | 104.50%               | Any and all of the<br>outstanding<br>Existing Notes |

*Details of the New Notes*

| <b>New Issue Amount</b> | <b>Maturity Date</b>   | <b>Minimum New Issue Coupon</b>                              | <b>New Issue Price</b> |
|-------------------------|--|--|------------------------|
| €200,000,000            | Seven years; actual maturity to be announced at the New Issue Pricing Date | To be announced on 14 April 2014 as further described herein | 100%                   |

Pursuant to the Exchange Offer, the Issuer invites Qualifying Noteholders, on the terms and subject to the conditions and offer restrictions set out in the Exchange Offer Memorandum, to submit offers to exchange any and all of their Existing Notes for New Notes.

The purpose of the Exchange Offer and Issuer's announced issuance of the New Notes (including the Additional New Notes) is to optimize the Issuer's cost of debt and to extend its debt maturity profile. The Issuer has announced the potential issuance of the Additional New Notes, the proceeds of which will be used to (i) redeem the remaining amount of the Existing Notes at a time of the Issuer's election, (ii) to pay all fees and expenses, including any redemption premium payable on the Existing Notes, associated with the Exchange Offer and the offering of the Additional New Notes and (iii) repay other debt, including short-term debt. The Issuer currently intends to redeem any Existing Notes remaining after consummation of the Exchange Offer. The timing of the redemption will depend on the outcome of the Exchange Offer, the redemption premium of the Existing Notes, the Issuer's

liquidity and prevailing market conditions. The Issuer may issue a redemption notice on some or all of the Existing Notes remaining outstanding upon consummation of the Exchange Offer as early as the Settlement Date.

Existing Notes accepted by Issuer for exchange pursuant to the Exchange Offer will be cancelled.

In order to participate in, and be eligible to receive New Notes pursuant to, the Exchange Offer, Qualifying Noteholders must validly offer Existing Notes for exchange by delivering, or arranging to have delivered on their behalf, a valid Exchange Instruction that is received by the Exchange Agent by 5.00 p.m. (CET) on 15 April 2014 (the **Expiration Deadline**).

Subject to satisfaction of the New Issue Condition, the nominal amount of New Notes which each Qualifying Noteholder whose Existing Notes are accepted by the Issuer for exchange pursuant to the Exchange Offer will receive on the Settlement Date will be equal to the aggregate nominal amount of such Existing Notes accepted by the Issuer for exchange.

The Exchange Price on the Existing Notes is 104.50% of which the Issuer will pay in cash the difference between the Exchange Price and the New Issue Price, multiplied by the aggregate principal amount of the Existing Notes validly offered and accepted by the Company. The Issuer will also pay Accrued Interest in cash to each such Qualifying Noteholder on the Settlement Date.

The New Notes will be issued at a price of 100% (the New Issue Price) with a New Issue Coupon not lower than the Minimum New Issue Coupon which will be announced by the Issuer at or around 9.00 a.m. (CET) on 14 April 2014.

The New Notes will be issued in a minimum denomination of €100,000 and integral multiples of €1,000 in excess thereof. In order to be eligible to receive New Notes pursuant to the Exchange Offer, a Qualifying Noteholder must validly submit Exchange Instructions in respect of a nominal amount of Existing Notes (a Minimum Exchange Offer Amount) that will entitle such Qualifying Noteholder to receive a nominal amount of New Notes of at least the minimum denomination of €100,000.

The Issuer has announced its intention to issue further notes outside of the scope of the Exchange Offer. The Additional New Notes constitute a portion of the New Notes and are, therefore, issued on identical terms (including the ISIN Code) to, and as a single series with, the New Notes issued pursuant to the Exchange Offer.

Any acceptance by the Issuer for exchange of Existing Notes validly offered for exchange in the Exchange Offer is subject to the pricing of the New Notes (the **New Issue Condition**), and any references in this Exchange Offer Memorandum to “accepted for exchange” (and all related references) shall be construed as being subject to the satisfaction of the New Issue Condition.

The announcement of the satisfaction of the New Issue Condition is expected to take place before the Settlement Date.

A Qualifying Noteholder who submits an Exchange Instruction in respect of Existing Notes having an aggregate nominal amount of less than the Minimum Exchange Offer will not be eligible to participate in the Exchange Offer, and such Exchange Instruction will not be accepted by the Issuer.

**THE EXCHANGE OFFER WILL EXPIRE AT 5.00 P.M. (CENTRAL EUROPEAN TIME) ON 15 APRIL 2014, UNLESS EXTENDED, RE-OPENED OR TERMINATED AS PROVIDED IN THE EXCHANGE OFFER MEMORANDUM. THE DEADLINE SET BY ANY INTERMEDIARY OR CLEARING SYSTEM WILL BE EARLIER THAN THIS DEADLINE. EXCHANGE INSTRUCTIONS WILL BE IRREVOCABLE FROM THE REVOCATION DEADLINE (AND EXCHANGE INSTRUCTIONS SUBMITTED AFTER THE REVOCATION DEADLINE WILL BE IRREVOCABLE FROM THE TIME OF THEIR SUBMISSION), EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN “AMENDMENT AND**

**TERMINATION’.**

The anticipated transaction timetable is summarised below:

**Events**

**Times and Dates**

***Commencement of the Exchange Offer***

Exchange Offer announced and notice of the Exchange Offer submitted to the Clearing Systems and published by way of an announcement on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)) and on a Notifying News Service. Exchange Offer Memorandum made available to Qualifying Noteholders, upon request.

Monday, 7 April 2014

***Announcement of New Notes Minimum New Issue Coupon***

Issuer will announce Minimum New Issue Coupon to Qualifying Noteholders. See “*The Exchange Offer – The Exchange Offer – Pricing of the New Notes*” in the Exchange Offer Memorandum.

At or around 9.00 a.m. CET,  
Monday, 14 April 2014

***Revocation Deadline***

Exchange Instructions become (and Exchange Instructions submitted after this deadline are) irrevocable (other than in the limited circumstances described in “*Amendment and Termination*” in the Exchange Offer Memorandum).

4.00 p.m. (CET) on Tuesday, 15  
April 2014

***Expiration Deadline***

Deadline for receipt of valid Exchange Instructions by the Exchange Agent in order for Qualifying Noteholders to be able to participate in the Exchange Offer.

5.00 p.m. (CET) on Tuesday, 15  
April 2014

***Announcement of indicative Exchange Offer Acceptance Amount***

Announcement of the total eligible Exchange Instructions received by the Expiration Deadline, acceptance of which will be subject to the New Issue Condition.

At or around 9.00 a.m. (CET)  
on Wednesday, 16 April 2014

***Pricing of New Notes***

Determination of the New Issue Coupon and the final maturity date of the New Notes.

Wednesday, 16 April 2014

***Announcement of Offer Results***

Announcement of whether the Issuer will accept valid offers of Existing Notes for exchange pursuant to the Exchange Offer (subject to the satisfaction of the New Issue Condition). If so accepted, the Issuer will also announce (i) the Exchange Offer Acceptance Amount, (ii) the final aggregate nominal amount of New Notes to be issued and (iii) New Issue Coupon.

As soon as reasonably  
practicable after the New Issue  
Pricing Date

***Announcement of New Issue Condition***

Announcement of whether the New Issue Condition has been satisfied.

Prior to the Settlement Date

### **Settlement Date**

Expected settlement date for the Exchange Offer and Additional New Notes. Thursday, 24 April 2014

*The above times and dates are subject to the Issuer's right to extend, re-open, amend and/or terminate the Exchange Offer (subject to applicable law and as provided in the Exchange Offer Memorandum). Qualifying Noteholders are advised to check with any bank, securities broker or other intermediary through which they hold Existing Notes when such intermediary would need to receive instructions from a Qualifying Noteholder in order for that Qualifying Noteholder to be able to participate in, or revoke their instruction to participate in, the Exchange Offer before the deadlines set out above. **The deadlines set by any such intermediary and each Clearing System for the submission and withdrawal of Exchange Instructions will be earlier than the relevant deadlines above. See "Procedures for Participating in the Exchange Offer".***

The Issuer has retained Banca IMI, BNP Paribas, HSBC Bank plc, Mediobanca and Merrill Lynch International to act as Dealer Managers for the Exchange Offer and Lucid Issuer Services Limited to act as Exchange Agent.

For detailed terms of the Exchange Offer please refer to the Exchange Offer Memorandum which (subject to distribution restrictions) can be obtained from the Dealer Managers and the Exchange Agent referred to below:

| <b>THE ISSUER</b>   |  |
|---|--|
| <b>Piaggio &amp; C. S.p.A.</b><br>Via Rinaldo Piaggio 25<br>56025 Pontedera (Pisa)<br>Italy   |  |
| <b>DEALER MANAGERS</b>  |  |
| <b>Banca IMI S.p.A.</b><br>Largo Mattioli, 3<br>20121 Milano<br>Italy<br>Telephone: +39 02 7261 4782<br>Attention: DCM – Corporate & Liability Management<br>Email: dcm.corp@bancaimi.com   | <b>BNP PARIBAS</b><br>10 Harewood Avenue<br>London NW1 6AA<br>United Kingdom<br>Attention: Liability Management Group<br>Email: liability.management@bnpparibas.com<br>Telephone: +44 20 7595 8668 |
| <b>BofA Merrill Lynch</b><br>Merrill Lynch International<br>2 King Edward Street<br>London EC1A 1HQ<br>United Kingdom<br>Attention: John Cavanagh, +44 20 7995 3715<br>john.m.cavanagh@baml.com<br>Karl Bystedt Wikblom, +44 20 7996 0867<br>karl.bystedtwikblom@baml.com | <b>HSBC Bank plc</b><br>8 Canada Square<br>London E14 5HQ<br>United Kingdom<br>Telephone: +44 20 7992 6237<br>Attention: Liability Management Group<br>Email: liability.management@hsbcib.com      |
| <b>Mediobanca – Banca di Credito Finanziario S.p.A.</b><br>Piazzetta Cuccia 1,<br>20121 Milan<br>Italy<br>Telephone: +39 0288 291<br>Attention: DCM Corporate<br>Email: MB_DCM_CORPORATE_IT@mediobanca.com  |  |

**EXCHANGE AGENT**

**Lucid Issuer Services Limited**

Leroy House  
436 Essex Road  
London N1 3QP  
United Kingdom

Telephone: +44 207 704 0880  
Attention: Thomas Choquet / Victor Parzyjagla  
Email: piaggio@lucid-is.com

**DISCLAIMER**

**This announcement must be read in conjunction with the Exchange Offer Memorandum. This announcement and the Exchange Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Exchange Offer. If any Noteholder is in any doubt as to the contents of the Exchange Offer Memorandum or the action it should take, it is recommended to seek its own financial and legal advice, including in respect of any tax consequences, immediately from its stockbroker, bank manager, solicitor, accountant or other independent financial or legal adviser. Any individual or company whose Existing Notes are held on its behalf by a broker, dealer, bank, custodian, trust company or other nominee must contact such entity if it wishes to participate in the Exchange Offer. None of the Dealer Managers, the Exchange Agent or the Issuer makes any recommendation as to whether holders of Existing Notes should offer Existing Notes for exchange pursuant to the Exchange Offer.**

**OFFER AND DISTRIBUTION RESTRICTIONS**

*United States*

The Exchange Offer is not being made, and will not be made, directly or indirectly in or into, or by use of the mail of, or by any means or instrumentality of interstate or foreign commerce of, or of any facilities of a national securities exchange of, the United States or to, for the account or benefit of, U.S. persons. This includes, but is not limited to, facsimile transmission, electronic mail, telex, telephone, the internet and other forms of electronic communication. Accordingly, copies of the Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer are not being, and must not be, directly or indirectly mailed or otherwise transmitted, distributed or forwarded (including, without limitation, by custodians, nominees or trustees) in or into the United States or to U.S. persons, and the Existing Notes cannot be offered for exchange in the Exchange Offer by any such use, means, instrumentality or facilities or from within the United States or by U.S. persons. Any purported offer of Existing Notes resulting directly or indirectly from a violation of these restrictions will be invalid, and any purported offer of Existing Notes made by a U.S. person, a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States or for a U.S. person will be invalid and will not be accepted.

The Exchange Offer Memorandum is not an offer of securities for sale in the United States or to U.S. persons. None of the Existing Notes or the New Notes (including any Additional New Notes) have been, and they will not be, registered under the Securities Act or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of U.S. persons. The purpose of the Exchange Offer Memorandum is limited to the Exchange Offer, and the Exchange Offer Memorandum may not be sent or given to any person other than in accordance with Regulation S under the Securities Act.

Each Qualifying Noteholder participating in the Exchange Offer will represent that it is not located in the United States and is not participating in the Exchange Offer from the United States, that it is participating in the Exchange Offer in accordance with Regulation S under the Securities Act and that it is not a U.S. person or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in the Exchange Offer from the United States and is not a U.S. person.

As used herein and elsewhere in the Exchange Offer Memorandum, United States means United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and "U.S. person" has the meaning given to such term in Regulation S under the Securities Act.

### ***Italy***

Neither the Exchange Offer Memorandum nor any other documents or material relating to the Exchange Offer have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa (CONSOB)*, pursuant to applicable Italian laws and regulations.

In the Republic of Italy, the Exchange Offer is being carried out as an exempted offer pursuant to article 101-*bis*, paragraph 3-*bis* of the Financial Services Act and article 35-*bis*, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Qualifying Noteholders or beneficial owners of the Existing Notes can submit an offer to exchange in respect of their Existing Notes through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Existing Notes or the Exchange Offer Memorandum.

### ***United Kingdom***

The communication of the Exchange Offer Memorandum and any other documents or materials relating to the Exchange Offer is not being made and such documents and/or materials have not been approved by an authorized person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Financial Promotion Order**)) or persons who are within Article 43 of the Financial Promotion Order or any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order.

### ***France***

The Exchange Offer is not being made, directly or indirectly, to the public in the Republic of France (**France**). Neither the Exchange Offer Memorandum nor any other document or material relating to the Exchange Offer has been or shall be distributed to the public in France and only (a) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (b) qualified investors (*investisseurs qualifiés*) other than individuals, in each case acting on their own account and all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code Monétaire et Financier* are eligible to participate in the Exchange Offer. The Exchange Offer Memorandum has not been and will not be submitted for clearance to nor approved by the *Autorité des Marchés Financiers*.

## **Belgium**

Neither the Exchange Offer Memorandum nor any other documents or materials relating to the Exchange Offer have been, or will be, submitted for approval or recognition to the Financial Services and Markets Authority (*Autorité des Services et Marchés Financiers / Autoriteit Financiële diensten en markten*) and, accordingly, the Exchange Offer may not be made in Belgium by way of a public offering, as defined in Article 3 of the Belgian law of 1 April 2007 on public takeover bids (*Loi relative aux offres publiques d'acquisition / Wet op de openbare overnamebiedingen* (the **Law on Public Acquisition Offers**)) or as defined in Article 3 of the Belgian Law of 16 June 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (*Loi relative aux offres publiques d'instruments de placement et aux admissions d'instruments de placement à la négociation sur des marchés réglementés / Wet op de openbare aanbieding van beleggingsinstrumenten en de toelating van beleggingsinstrumenten tot de verhandeling op een gereguleerde markt* (the **Law on Public Offerings**)), each as amended or replaced from time to time. Accordingly, the Exchange Offer may not be advertised, and the Exchange Offer will not be extended, and neither the Exchange Offer Memorandum nor any other documents or materials relating to the Exchange Offer (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than "qualified investors" (as referred to in Article 10 of the Law on Public Offerings and Article 6 of the Law on Public Acquisition Offers), acting on their own account. Insofar as Belgium is concerned, the Exchange Offer Memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Exchange Offer. Accordingly, the information contained in the Exchange Offer Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

## **General**

The Exchange Offer Memorandum does not constitute an offer to sell or buy or the solicitation of an offer to sell or buy the Existing Notes, the New Notes (including the Additional New Notes), and Exchange Instructions pursuant to the Exchange Offer will not be accepted, from Noteholders in any circumstances in which such offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require an Exchange Offer to be made by a licensed broker or dealer and any of the Dealer Managers or any of their respective affiliates is such a licensed broker or dealer in any such jurisdiction, the invitation to participate in the Exchange Offer shall be deemed to be made on behalf of the Issuer by such Dealer Manager or affiliate (as the case may be) in such jurisdiction.

In addition to the representations referred to above in respect of the United States, each Noteholder participating in the Exchange Offer will also be deemed to give certain representations in respect of the other jurisdictions referred to above and generally as set out in "*Procedures for Participating in the Exchange Offer*". Any offer for exchange of Existing Notes pursuant to the Exchange Offer from a Noteholder that is unable to make these representations will not be accepted. Each of the Issuer, the Dealer Managers and the Exchange Agent reserves the right, in its absolute discretion, to investigate, in relation to any offer to exchange Existing Notes pursuant to the Exchange Offer, whether any such representation given by a Noteholder is correct and, if such investigation is undertaken and as a result the Issuer determines (for any reason) that such representation is not correct, such offer shall not be accepted.